

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Board Camp Post Office
Board Camp, Arkansas

Docket No. A2011-68

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(November 2, 2011)

On September 8, 2011, the Postal Regulatory Commission (Commission) received a petition for review of the Postal Service's determination to close the Board Camp Post Office in Board Camp, Arkansas. The petition was filed by the Residents and Customers of Board Camp, Arkansas Post Office (Petitioner) and is postmarked August 29, 2011. On September 12, 2011, the Commission issued a Notice of Filing Under 39 U.S.C. § 404(d), and on September 13, 2011, the Commission issued Order No. 852, its Notice and Order Accepting Appeal and Establishing Procedural Schedule, pursuant to 39 U.S.C. § 404(d). In accordance with Order No. 852, the administrative record was filed with the Commission on September 22, 1011.

The Petitioners contend that: (1) the Postal Service failed to consider the effect of the closing on the community; and (2) the Postal Service failed to adequately consider the economic savings resulting from the closure. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. Accordingly, the determination to discontinue the Board Camp Post Office should be affirmed.

Background

The Final Determination To Close the Board Camp Post Office and Continue to Provide Service by Highway Contract Route Service, as well as the administrative record, indicate that the Board Camp Post Office provides EAS-55 level service from 8:00 to 2:00 Monday - Friday, from 8:00 to 2:00 on Saturday, and lobby hours of 8:00 to 2:00 on Monday-Friday and from 8:00 to 2:00 on Saturday to 45 post office box customers, and no delivery customers. Item 47, Final Determination to Close the Board Camp, AR Post Office and Continue to Provide Service by Highway Contract Route Service ("FD") at 2; Item 13 Administrative Postmaster/OIC Comments at 1¹ The postmaster position of the Board Camp Post Office became vacant when the postmaster was reassigned on July 26, 2009, and a noncareer PMR/OIC has been installed to operate the office. Item 47, FD, at 2, 4; Item 41, Proposal to Close the Board Camp, AR Post Office and Continue to Provide Service by Highway Contract Route Service (Revised) ("Proposal - Revised") at 2, 6. Upon implementation of the final determination, the noncareer PMR/OIC may be separated from the Postal Service, although attempts will be made to reassign the employee to a nearby facility. Item 47; FD at 4, 6.

The average number of daily retail window transactions at the Board Camp Post Office is twenty-five. Revenue over the last few years was low: \$17,802 in FY 2008 (46 revenue units); \$16,413 in FY 2009 (43 revenue units); and \$17,491 in FY 2010 (46 revenue units). The Board Camp Post Office has no meter or permit customers. Item

¹ In these comments, specific items in the administrative record are referred to as "Item ____."

47, FD at 2; Item 41 Proposal-Revised at 2; Item 42, Updated Post Office Fact Sheet, at 1.

Upon implementation of the final determination, delivery and retail services will be provided by highway contract route service administered by the Mena Post Office, an EAS-20 level office, which has 590 available Post Office Boxes. Item 41, Proposal-Revised at 2; Item 47, FD at 2; Item 42, Updated Post Office Fact Sheet, at 1.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Board Camp Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal-Revised and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Board Camp Post Office. Questionnaires were also available over the counter for retail customers at the Board Camp Post Office. Item 47, FD at 2; Item 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Board Camp Post Office, at 1. A letter from the Manager of Consumer Affairs and Claims, Arkansas District, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Board Camp Post Office was warranted and whether it was feasible to provide postal services from the Mena Post Office. The letter invited customers to complete and return a customer questionnaire in order to provide feedback regarding the proposed change. Item 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear

in the administrative record in Item 22. In addition, representatives from the Postal Service were available at the Board Camp Fire Department for a community meeting on March 15, 2011, to answer questions and provide information to customers. Item 47, FD at 2; Item 21, Letter to Customer, at 1; Item 24, Community Meeting Roster at 1-4; Item 25, Community Meeting Analysis; Item 41, Proposal-Revised, at 2. Customers received formal notice of the Proposal and FD through postings at nearby facilities.

The Proposal was posted with an invitation for public comment at the Board Camp Post Office and Mena Post Office from March 29, 2011 to May 30, 2011. Item 47, FD, at 2; Item 31, Instructions to OIC/Postmaster to Post Proposal, at 1; Item 32, Invitation for Comments, at 1; Item 33, Round Date Stamped Proposal, at 1; Item 37, Notice of Taking Proposal and Comments Under Internal Consideration, at 1. The Final Determination was posted at the Board Camp Post Office starting on August 4, 2011, as confirmed by the Final Determination cover sheet that appears in the administrative record. Item 47, FD at 1; Item 48, Letter of Instructions Regarding Posting of the Board Camp Post Office Final Determination, at 1; Item 49, Round-date Stamped Final Determination Cover Sheets.

In light of the postmaster vacancy, minimal workload, the variety of delivery and retail options (including the convenience of highway contract route delivery and retail service), minimal impact upon the community, and the expected financial savings, the Postal Service issued the Final Determination. Item 41, Proposal – Revised, at 2 and 5-6; Item 42, Updated Post Office Fact Sheet; Item 47, FD. Regular and effective postal

services will continue to be provided to the Board Camp community in a cost-effective manner upon implementation of the Final Determination. Item 47, FD, at 4.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii), and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Board Camp Post Office on postal services provided to Board Camp customers. The closing is premised upon providing regular and effective postal services to Board Camp customers.

The Petitioners, in their Participant Statement, raise the issue of the effect on postal services of the Board Camp Post Office's closing, noting the convenience of the Board Camp Post Office and requesting its retention. Petitioners also state that they do not favor commuting to other Post Offices for service and lack high speed internet service. These concerns were addressed in the administrative record.

The effect of closing the Board Camp Post Office on the availability of postal services to the Board Camp customers was considered extensively by the Postal Service. Item 47, FD, at 2- 6; Item 41, Proposal-Revised, at 2-6. Upon the implementation of the Final Determination, services provided by the Board Camp Post Office, such as the sale of stamps, envelopes, postal cards, and money orders, will be available at the Mena Post Office, and will also be available from a mail carrier to roadside mailboxes located close to customer residences. Item 41, Proposal-Revised,

at 3; Item 47, FD, at 3. Special provisions are made for hardship cases or special customer needs. Item 41, Proposal-Revised, at 3; Item 47, FD at 3.

Carrier service is beneficial to many senior citizens and to those who may face special challenges because they do not have to travel to the Post Office for service. Item 47, FD, at 3; Item 41, Proposal-Revised, at 3. Services provided at the post office will be available from the carrier. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2-3. Most transactions do not require meeting the carrier at the mailbox. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2-3. Stamps by Mail and Money Order Application forms are available for customer convenience. Item 47, FD, at 3; Item 41, Proposal-Revised, at 2-3. Special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier by leaving a note in the mailbox, along with the appropriate payment. Item 47, FD, at 3; Item 41, Proposal-Revised, at 3. Customers may request to have their mail held at the Post Office, and when the return, may request that the Post Office resume delivery. Item 47, FD, at 4; Item 41, Proposal-Revised, at 3.

In addition to carrier service, retail services and P.O. Box service will be available at the Mena Post Office, an EAS-20 level office which has 590 available Post Office Boxes. Item 41, Proposal-Revised at 2; Item 47, FD at 2; Item 42, Updated Post Office Fact Sheet, at 1. Window service hours at the Mena Post Office are from 8:15 to 16:15 Monday through Friday, and from 10:00 to 12:00 on Saturday. Item 47, FD, at 2; Item 41 Proposal-Revised at 2; Item 42, Updated Post Office Fact Sheet, at 1.

Thus, the Postal Service has considered impact of closing the Board Camp Post Office upon the provision of postal services to the Board Camp customers, and has properly concluded that the Board Camp customers will continue to receive regular and effective service. Carrier delivery will be made to roadside mailboxes and will also provide retail services, including the sale of stamps. In addition, retail services and post office boxes will be available at the nearby Mena Post Office. Accordingly, the Postal Service has properly considered the impact of closing the Board Camp Post Office, and has properly concluded that the Board Camp customers will continue to receive regular and effective mail service.

Effect Upon the Board Camp Community

The Postal Service is obligated to consider the effect of its decision to close the Board Camp Post Office upon the Board Camp community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Board Camp is an unincorporated community located in Polk County. The community is administered politically by Polk County. The Polk County Sheriff's Office provides police protection, and the Board Camp Fire Department provides fire protection. Item 41, Proposal-Revised, at 5; Item 47, FD, at 4. The community is comprised of retirees, self-employed farmers, and those who commute to work at nearby communities and work in local businesses. Item 41, Proposal-Revised, at 5;

Item 47, FD, at 4. Business and Organizations include: Yocana Baptist Church, Assembly of God Church, Bruce's Appliance Service, Freedom Pharmacy, and BerryPhotos Restored. Item 41, Proposal-Revised, at 5; Item 47, FD at 4. The questionnaires completed by the Board Camp customers indicate that, in general, the retirees, senior citizens, and others who reside in Board Camp must travel for other supplies and services. Item 47, FD, at 4; Item 22, Returned Customer Questionnaires and Postal Service Response Letters, at 2-4, 6-20, 22, 24-30B.

The Petitioners raise the issue of the effect of the closing of the Board Camp Post Office upon the Board Camp community. This issue was extensively considered by the Postal Service, as reflected in the administrative record. Item 47, FD, at 2, 4; Item 41, Proposal-Revised, at 2, 5. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. Item 41, Proposal-Revised, at 2; Item 47, FD, at 2. The Postal Service further explained that the Postal Service is helping to preserve community identity by continuing the use of the Board Camp Post Office name and ZIP Code in addresses and in the National Five-Digit Zip Code and Post Office Directory. Item 47, FD at 2; Item 41, Proposal-Revised, at 2. Communities generally require regular and effective postal services and these will continue to be provided to the Board Camp community. In addition, the Postal Service has concluded that nonpostal services provided by the Board Camp Post Office can be provided by the Mena Post Office, and that government forms normally provided by the Board Camp Post Office will also be available at the Mena Post Office. Item 47, FD, at 4; Item 41, Proposal-Revised, at 5. Thus, the Postal

Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Board Camp Post Office on the Board Camp community.

Economic Savings

The Postal Service also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). Since mail delivery service for Board Camp customers is already administered by the Mena Post Office, there would be no cost associated with alternative service. Item 15, Post Office Survey Sheet, at 1-2; Item 17, Alternative Service Options/Cost Analysis, at 1; Item 41, Proposal-Revised, at 6; Item 47, FD at 4. The estimated annual savings resulting from discontinuation of the Board Camp Post Office, based on annual lease costs and an EAS-55 postmaster salary and fringe benefits, are \$50,814.00. Item 47, FD at 4; Item 41, Proposal-Revised, at 6.

The Petitioners question the savings estimate because the Postal Service did not consider the cost of comparable leased facilities or complete a life-cycle benefit cost analysis of the Board Camp post office building. However, the Postal Service does not intend to replace the leased Board Camp Post Office with a new facility. Instead, retail services will be provided from the existing Mena Post Office. Item 47, FD, at 2. The Petitioner has also stated that the Postal Service should have considered population growth in Polk County. However, there has not been a corresponding pattern of growth in revenue at the Board Camp Post Office: \$17,802 in FY 2008; \$16,413 in FY 2009; and \$17,491 in FY 2010. Item 47, FD at 2; Item 41, Proposal-Revised at 2; Item 42, Updated Post Office Fact Sheet, at 1.

The Petitioners contend that the Postal Service's savings estimate is incorrect because a career Postmaster salary was used in the calculation, in lieu of the lower income earned by the OIC. The Postal Service notes, however, that it was appropriate to use a career Postmaster's salary in the calculation because the career position would have ultimately been filled if the Board Camp Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

The Petitioners suggested strategies that might reduce costs or increase revenue at the Board Camp Post Office. These strategies include reducing the hours that the Board Camp Post Office Counter is open and raising the rental rate of Post Office Boxes at the Board Camp Post Office. The Postal Service has broad experience with similar options. However, in this case, it has determined that highway contract route service is a more cost-effective solution than maintaining the Board Camp postal facility and career position. Item 47, FD, at 4-5. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations.

Thus, economic factors are one of several factors that the Postal Service considered, and the economic savings have been calculated as required for discontinuance studies in accordance with statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Board

Camp Post Office on the provision of postal services and on the Board Camp community, as well as the economic savings that would result from the proposed closing, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Board Camp customers. Item 47, FD, at 4. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Board Camp Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Board Camp Post Office be affirmed.

Respectfully submitted,

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